

SENATE RECORD VOTE ANALYSIS

104th Congress
2nd Session

Vote No. 2

January 26, 1996, 4:38 p.m.
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BALANCED BUDGET DOWNPAYMENT ACT, I/\$500 Billion Debt Limit Increase

SUBJECT: Balanced Budget Downpayment Act, I . . . H.R. 2880. Dole motion to table the Moynihan amendment No. 3120.

ACTION: MOTION TO TABLE AGREED TO, 46-45

SYNOPSIS: H.R. 2880, the Balanced Budget Downpayment Act, I, will provide continuing appropriations through March 15 for those portions of the Federal Government for which regular appropriations bills or targeted appropriations bills have not yet been enacted. Funding levels for programs will vary to reflect Congress' priorities and its intent to balance the budget in 7 years.

The Moynihan amendment would raise the public debt limit to \$5.4 trillion, thereby allowing the United States to go \$500 billion deeper into debt without first having resolved how to restrain spending and balance the budget in order to avoid bankruptcy.

During debate, Senator Dole moved to table the Moynihan amendment. The motion to table is not debatable; however, some debate preceded the making of the motion. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

We favor raising the debt limit but not in this manner and not on this resolution. It is customary for Congress to consider debt ceiling legislation together with provisions to reduce the deficit. The House is in the process of fashioning such a package, and the White House has indicated its willingness to discuss a compromise. If we were to raise the limit without simultaneously gaining any deficit reduction, we would be unlikely later to gain approval for that reduction from the President. Some Senators seem rather impressed that President Clinton gave lip-service to balancing the budget in his State of the Union speech, but his actions over the past year, including his actions over the past couple of weeks, make a mockery of his rhetoric. The most responsible proposal that President Clinton has made has been his recent proposal to balance the budget in 7 years by having a future President and a future

(See other side)

YEAS (46)			NAYS (45)			NOT VOTING (8)	
Republicans (45 or 98%)	Democrats (1 or 2%)		Republicans (1 or 2%)	Democrats (44 or 98%)		Republicans (7)	Democrats (1)
Abraham	Hutchison	Harkin	Specter	Akaka	Johnston	Bennett ⁻²	Hollings ⁻²
Ashcroft	Inhofe			Baucus	Kennedy	Campbell ^{-2AN}	
Bond	Jeffords			Biden	Kerrey	Coats ⁻²	
Brown	Kassebaum			Bingaman	Kerry	Faircloth ⁻²	
Burns	Kempthorne			Boxer	Kohl	Gramm ⁻²	
Chafee	Lott			Bradley	Lautenberg	Kyl ⁻²	
Cochran	Lugar			Breaux	Leahy	Shelby ⁻²	
Cohen	Mack			Bryan	Levin		
Coverdell	McCain			Bumpers	Lieberman		
Craig	McConnell			Byrd	Mikulski		
D'Amato	Murkowski			Conrad	Moseley-Braun		
DeWine	Nickles			Daschle	Moynihan		
Dole	Pressler			Dodd	Murray		
Domenici	Roth			Dorgan	Nunn		
Frist	Santorum			Exon	Pell		
Gorton	Simpson			Feingold	Pryor		
Grams	Smith			Feinstein	Reid		
Grassley	Snowe			Ford	Robb		
Gregg	Stevens			Glenn	Rockefeller		
Hatch	Thomas			Graham	Sarbanes		
Hatfield	Thompson			Heflin	Simon		
Helms	Thurmond			Inouye	Wellstone		
	Warner						

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

Congress make spending cuts in years 6 and 7. We are not about to declare victory when the best offer to date from this President has been for us to continue massive deficit spending and leave the problem for a future President and Congress to solve.

An additional problem with this bill, which is not at all small, is that it is unconstitutional. This bill is not now a revenue bill; attaching the Moynihan amendment would make it one. The Constitution provides that all revenue measures must initiate in the House, and the House jealously guards that right. For 200 years, the House has automatically rejected any Senate-initiated revenue legislation that has been sent to it. Passing the Moynihan amendment thus would kill this bill.

On October 31, 1995, Secretary Rubin informed Congress that the Federal Government would default on November 15 if it did not raise the debt limit. We believe he made this claim, which he knew was false, on the hope it would cause financial market losses that would pressure Republicans into giving in to Clinton Administration demands. When Republicans refused to back down on their balanced budget plans, the markets instead responded favorably to the prospect of the Government finally agreeing to live within its means. When November 15 arrived, Secretary Rubin instead began raiding Federal funds ("disinvesting") that it owed to itself. The effect of this action was to create room under the debt limit for the Federal Government to borrow more money. We very much disapprove of Secretary Rubin first insisting he would let this matter come to a head, and then raiding Federal funds in order to let the Government continue borrowing. Now Secretary Rubin is saying that by March 1 it will be impossible for the Federal Government to continue raiding the debts it owes itself. This claim is false. For instance, simply by continuing to raid the Federal retirement trust fund (Secretary Rubin has already siphoned off \$40 billion), the Government could technically stay under the debt limit until mid-May of 1997. Of course, we would not approve of that action; we would much rather resolve this matter by coming to an agreement on how to balance the budget. Unfortunately, if President Clinton is so unwilling to compromise that he is willing to default on Government debts or to continue stealing from Federal retirement and other trust funds, we cannot stop him.

We can control only our own votes. We will therefore vote against the Moynihan amendment because it is unconstitutional and will thus kill this bill. We will vote against this amendment because, besides his rhetoric, we have seen no willingness on the part of President Clinton to compromise, and we therefore think that any debt limit increase bill that is passed should be accompanied, as debt limit bills traditionally have been accompanied, by deficit-reduction language. Finally, we will vote against the Moynihan amendment because the default that will occur on March 1, if it does occur, will be a default of the President's own making. We can come to an agreement if the President will negotiate in good faith. However, if we agree to raise the debt limit without making progress on balancing the budget, the eventual result will be the same as if the United States goes immediately into default on its debts, because its debt is so large that it will soon be bankrupt if it does not stop borrowing. Either way the country will wind up bankrupt. The status quo that is proposed by the Moynihan amendment is not an option. We urge the rejection of this amendment.

Those opposing the motion to table contended:

The era of big government is over. President Clinton made that concession twice in his State of the Union speech, and it is a sentiment that is shared by most Members and most Americans. Our Republican colleagues should be celebrating. They have been waging the battle for this moment from the beginning of the Reagan Administration. In the early 1980s, Reagan Administration officials were initially frustrated when Congress would not go along with the President's desire to cut both spending and taxes. They then came up with a theory, which they put into practice. That theory was that if taxes were cut, and spending continued unabated, the size of the accumulating debt would force Congress to cut spending. The idea was to starve the beast. The plan did not work as anticipated. Instead of creating mounting consternation, enormous yearly debts became habitual. In the past few years, though, the debt has become so large that it has been impossible not to respond. Taxes have been increased, and spending has declined in real terms. The largest growing part of the budget is debt servicing, and that servicing is driving out spending on other programs. For the first time in 30 years, revenues coming in exceed spending on programs, but still deficits are being run because of the cost of paying interest on the debt. The American people oppose tax increases, plus more tax increases would threaten to stall the economy and lead to even more revenue losses. The debt is so large that it threatens to bankrupt America if it is not soon brought under control. Therefore, for the foreseeable future, the size of the Federal Government is going to have to shrink in order to balance the budget. Though our Republican colleagues did not expect their "starve the beast" strategy to bring the country to the brink of economic ruin before it worked, they should at least recognize that it has worked. They do not need to use the debt limit in order to force Democrats to work with them to balance the budget by cutting the size of the government--they have won that fight.

Though there is nothing to gain in using the debt limit as a weapon in the budget battles, there is a good deal to lose. Ever since Alexander Hamilton insisted on the Federal Government assuming and paying off the Revolutionary War debts of the States, the United States credit has been good world-wide. Other countries have suffered crushing depressions when they have lost their credit through their failure to repay their debts, but the United States has enjoyed stability throughout its history. That will change if the United States fails to raise the debt limit. For the first time in history, the United States is in danger of defaulting on its obligations.

We can avoid this disaster by approving the Moynihan amendment. Raising the debt limit will avoid default, but it will not in any way change the fiscal crisis which is forcing the downsizing of the Federal Government. We urge our Republican colleagues to recognize they have won, to declare victory, and to join us in passing the Moynihan amendment.